

House Committee on Public Health Interim Charge # 2

A brief background on Methodist Healthcare Ministries. We are a private, faith-based, 501(c)3 not-for-profit organization dedicated to increasing access to health care for uninsured and low-income Texas families through direct clinical services, community partnerships and strategic grant-making in 74 counties spanning the Rio Grande Valley and South Texas. Created in 1995, we are a half owner of 10 Methodist Hospitals in Bexar County and South Texas. Through our partnership with HCA Healthcare, Methodist Healthcare Ministries provides the local governance for the Methodist Healthcare System to ensure that the healthcare needs of the community are served.

State and Federal Budgetary Changes Impacting the State's Health Programs

State leadership should support measures that increase access to health care services to reduce the total healthcare costs assessed to the State of Texas.

Health care costs are one of the largest funded items in the Texas state budgetⁱ. Nevertheless, our state continues to have the highest uninsured rate in the country with over five million hard-working Texans in low wage service industry jobs who do not have access to affordable and comprehensive healthcare. These are individuals who fall below the poverty line, do not have employer sponsored coverage, earn too little to qualify for health insurance subsidies through the federal healthcare exchange programs and do not qualify for Medicaid coverage. According to recent projections, if there is no intervention to address the millions of Texans without health coverage, the cost of lower lifetime earnings will increase from \$57 billion in 2016 to \$178.5 billion by 2040.ⁱⁱ With the 1115 Texas Transformation Waiver and Healthy Texas Women Section 1115 Waiver, we can preserve hospital funding, reduce healthcare costs to the state, and serve the growing uninsured population who need access to preventative healthcare services.

1115 Texas Transformation Waiver

In 2011, the Texas Health and Human Services Commission (HHSC) obtained approval for a \$29 billion Section 1115 research and demonstration waiver, commonly known as the 1115 Texas Transformation Waiver. This waiver has been an instrumental component for the hospital and healthcare provider safety net system, making primary, school-based, behavioral health and specialty care available to uninsured Texans who otherwise would not receive care. It enabled Texas to expand its managed care delivery system and create two funding pools for Medicaid recipients, the uninsured and low-income: Uncompensated Care (UC), which pays hospitals for delivering care to patients without health insurance, and Delivery System Reform Incentive Payment (DSRIP) Program, which provides funding for innovative healthcare initiatives.

Texas must be prepared to implement policy measures upon expiration of the 1115 Waiver to continue to provide access to healthcare services for millions of Texans.

In 2017, the renegotiated \$25 billion waiver called for the winding down of DSRIP funded projects and significant funding changes to UC payments. The Texas DSRIP program is the nation's largest, serving approximately 12 million Texans, 300 providers, and more than 1,400 participating projects.ⁱⁱⁱ Without the successful renewal of the 1115 Texas Transformation waiver, many hospitals and providers will face financial uncertainty, particularly in rural Texas counties with high numbers of uninsured patients and

uncompensated care costs. The series of health services and programs that have helped many Texans improve their health outcomes will also not be able to continue without this funding.

The focus on the state's uninsured population has grown stronger as the result of the COVID-19 pandemic. The lack of access to care for our uninsured adults has only been exacerbated with the addition of over 650,000 newly unemployed Texans who lost their jobs and access to insurance. Without the adoption of Medicaid expansion or a similar policy, the robust infrastructure the 1115 Waiver created to support healthcare services for newly insured individuals under the Affordable Care Act (ACA) will not be able to be sustained upon its expiration. Foregoing billions in federal funds will leave an estimated 1.2 million low-income, uninsured Texans in a coverage gap without access to affordable health insurance and health care services.^{iv} Rising unemployment rates due to the COVID-19 pandemic, will further widen the coverage gap to 50% by January 2021 in the absence of Medicaid expansion.^v

RECOMMENDATION

- Lawmakers should take action this legislative session to eliminate barriers to critical care programs for mental, behavioral, preventative, and reproductive health service. Texas must act swiftly to expand coverage and draw down available federal dollars to cover individuals who have fallen into the coverage gap and prevent the ensuing economic downturn from worsening access to care and health outcomes.^{vi}

Healthy Texas Women Section 1115 Waiver

Women who are the key in maintaining healthy families access the health system more than men, both for themselves and on behalf of their children. By increasing access to care, women can become better prepared for planned pregnancies, undergo screenings for cancer, and receive treatment to improve their health outcomes. In Texas, many women go without preventative care and have limited access to contraceptives. In the past three years, researchers have discovered alarming increases in the state's maternal mortality rates. In 2018, the Texas Department of State Health Services (DSHS) provided an update regarding trends in Texas maternal mortality and found that the majority of maternal deaths since 2012 were attributed to women who were unable to receive continuity of care following the year after pregnancy.^{vii}

According to a 2019 study from Georgetown University Center for Children, 12% of women of childbearing age nationwide do not have health insurance. The rate in Texas, however, is more than double the national average at 25%, preventing women access to receive essential healthcare services.^{viii} The 39 states that have expanded Medicaid under the Affordable Care Act (ACA) have found that with expansion, they can increase a woman's access to preventative care, reduce adverse health outcomes, before, during and after pregnancies, and reduce maternal mortality rates. Despite research showing a 50% reduction in infant mortality with expansion states, Texas lawmakers have remained steadfast with declining expansion of the Medicaid program.^{ix}

Better health for women and infants means eliminating disruptions in health care coverage and protection from serious health conditions, even death. With continuous investments into women's health programs, women, babies, and families can achieve better health outcomes and reduce their risk to obesity, diabetes, cancer, and heart disease.

Improving the implementation of the 1115 HTW Waiver can help women achieve healthy outcomes and ensure continuity of care

During a 2014 review of the state's health agencies, the Texas Sunset Advisory Commission recommended the consolidation of women's health programs to improve efficiency and effectiveness for clients and providers. In response, the 84th Legislature directed the Texas Health and Human Services Commission (HHSC) to consolidate the state's women's health services and appropriate funding to support new programs. The state's Family Planning Program (FFP), and the HHSC Texas Women's Health Program (TWHP) were consolidated with the Department of State Health Services' Expanded Primary Health Care Program (EPHC) to create the Healthy Texas Women (HTW) program. With the agency's focus on continuity of care for women throughout their reproductive life course, including healthy birth outcomes for women and children, HTW helped offer women's healthcare services to Texas women in need.

In January 2020, HHSC was granted a new \$350 million demonstration waiver from the Centers for Medicare & Medicaid Services (CMS) that supports the HTW program until December 2024. ^x Through the demonstration waiver, the HTW program strengthened coverage for low-income women in Texas especially for those who would not have otherwise been eligible for family planning and preventive services under Medicaid. Additionally, the HTW 1115 waiver was designed to improve health outcomes for the Medicaid population by providing preconception and interconception care to women as well as screening and treatment for cancer, diabetes, and postpartum depression. This upcoming session, state lawmakers must continue to adequately fund and support the implementation of policies that provide greater accessibility to healthcare services for Texas women so they can lead healthy and productive lives.

Recommendation:

Investing in Preventative Health Care Programs like HTW Can Yield Cost Savings to the State's General

Revenue: Since its launch, the HTW program has seen an increase in service utilization and women enrolled. In a legislative report released May 2020, the total of enrolled women grew 16.2 percent in fiscal year 2019, from 255,571 in September 2018 to 296,959 women in August 2019. ^{xi} As the HTW client base and program investment has grown, so have the cost savings to the state. In HHSC's most recent women's health programs report, the agency found that HTW services saved Texas \$96.8 million in General Revenue. ^{xii} These immense cost savings are primarily rooted in HTW services preventing unintended pregnancies as half of all Texas births costs are paid for by Medicaid. In 2016, birth and delivery-related services for mothers and infants during their first year of life cost the state \$3.5 billion. ^{xiii} While the HTW 1115 waiver has led to cost savings to the state budget, Texas still has an unmet need of providing comprehensive health care services to women.

Supporting the Continuum of Care Through Auto-Enrollment for HTW: Auto-enrollment is an important HTW program policy that allows new mothers who were eligible and enrolled in the Pregnant Women's Medicaid program to be automatically enrolled in the HTW program once their Medicaid coverage expires. This policy ensures the continuum of care and access to critical postpartum services for new mothers. HHSC has proposed to replace this policy with the agency's current administrative renewal process. The current administrative renewal process in Texas has a known success rate of 25% according to the Kaiser Family Foundation. ^{xiv} With the success of the HTW dependent upon the continued client

base growth, enacting HHSC's proposed termination of auto-enrollment would result in decreased numbers of women enrolled and served.

Allowing for the Continuation of Adjunctive Eligibility for Women Applying for HTW: Adjunctive eligibility has been a longstanding policy used by HHSC and approved by CMS. The policy states that women who are eligible for and enrolled in the Women's Infants and Children's Program (WIC), has a child enrolled in Medicaid, or lives in a household that receives SNAP or TANF benefits, are then not required to resubmit proof of income to the agency. Without the continuation of this policy, increased costs to HHSC, women, and healthcare providers are expected.

Continuing the Utilization of the Simplified HTW Application Form (Form H1867) to Help Texas Women Remain Enrolled in HTW: The simplified HTW application form (Form H1867) is a one-page document that can be filled out on the same day that a woman visits a clinic for services and is available online. HHSC's proposal would replace Form H1867 with the Texas Health Coverage Application (Form 1205). Form 1205 is not only longer but requires multiple extensive requests for specific pieces of proof and information such as pay stubs for all household income, the social security numbers for all members of a household, proof of payment documents for childcare expenses, and even financial documents for money gifts received from a family member.

Preserving and Protecting the Family Planning Program: As part of the 1115 HTW Demonstration Waiver, Texas is required to maintain budget neutrality. HTW can assist in meeting this expectation by increasing access to women's health and family planning services which reduces Medicaid costs associated with adverse health outcomes from the lack of preventative care and treatment. HTW cannot accomplish these objectives if enrollment decreases by the elimination of this program and other policies that allow women to maintain eligibility and support the continuity of care. If Texas cannot achieve budget neutrality as dictated by the Standard Terms and Conditions of the approved waiver, then continued federal funding would be in jeopardy.

Expanding Medicaid Coverage from 6 Months to 12 Months Postpartum for Texas Mothers: In August 2020, the Texas Health and Human Services Commission (HHSC) announced an enhanced postpartum care package for eligible women enrolled in the Healthy Texas Women, called HTW Plus. This enhanced program extended coverage for approximately 90,000 HTW clients and provided them postpartum care coverage for up to 12 months. While we applaud state leadership for this effort, this enhanced program has caused a lot of confusion for many families across Texas. An important distinction about the Healthy Texas Women-Plus program is that it does not provide comprehensive Medicaid health insurance for new mothers from the current two months after childbirth to a full year. While it is a vehicle for providing some healthcare services to women, many of the medically necessary services that new moms need, especially those who experience postpartum complications, are not covered under the Healthy Texas Women-Plus program. These services include medical and surgical acute care services, treatment for cancer, physical and occupational therapy, and many prescription drugs. In a 2018 report, from the Texas Department of State Health Services (DSHS) to the Maternal Mortality and Morbidity Review Committee (MMMRC), the agency found that the majority of maternal deaths occurred more than 60-days postpartum with many of them preventable if coverage was extended.^{xv} With maternal deaths and pregnancy complication rates rising in Texas, state lawmakers must support policy measures that reduce the risk of future health issues for mothers As one of the best policy strategies to improving the health

of Texas mothers, state lawmakers must recognize the need for extending coverage to reduce mortality rates and provide the same level of coverage a client receives on Pregnant Women's Medicaid.

Thank you for your time and consideration of these comments and recommendations.

Respectfully submitted,

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ⁱ Texas Comptroller (2017, March). Fiscal Notes: Counting the Cost of Texas Health Care. Retrieved September 2020 from <https://comptroller.texas.gov/economy/fiscal-notes/2017/march/health-care.php>

ⁱⁱ Episcopal Health Foundation (2019, January). The Impact on of Uninsurance on Texas Economy. Retrieved September 2020 from <https://www.episcopalhealth.org/wp-content/uploads/2019/01/Econ-Impact-of-Uninsured-Applied-Policy-McClelland-004.pdf>

ⁱⁱⁱ Texas Comptroller (2019, August). Fiscal Notes: Texas and the 1115 Medicaid Waiver. Retrieved September 2020 from <https://comptroller.texas.gov/economy/fiscal-notes/2019/aug/healthcare.php>

^{iv} Texas Comptroller (2019, August). Fiscal Notes: Texas and the 1115 Medicaid Waiver. Retrieved September 2020 from <https://comptroller.texas.gov/economy/fiscal-notes/2019/aug/healthcare.php>

^v National Center for Biotechnology Information. Medicaid Expansion Under the Affordable Care Act: Implications for Insurance-Related Disparities in Pulmonary, Critical Care, and Sleep. (May 2014)

^v Episcopal Health Foundation. (2020, May). Eligibility for Affordable Health Insurance Options for Texans Following Job Loss Due to COVID-19. Retrieved September 2020 from <https://www.episcopalhealth.org/wp-content/uploads/2020/05/EHF-COVID-19-Health-Coverage-for-Texans-Issue-Brief-05.18.20-FINAL.pdf>

^{vi} Center on Budget and Public Priorities. (2020, July). States that Have Not Expanded Medicaid Are Better Positioned to Address COVID-19 and Recess. Retrieved September 2020 from <https://www.cbpp.org/research/health/states-that-have-expanded-medicare-are-better-positioned-to-address-covid-19-and-recess>

^v Episcopal Health Foundation. (2020, May). Eligibility for Affordable Health Insurance Options for Texans Following Job Loss Due to COVID-19. Retrieved September 2020 from <https://www.episcopalhealth.org/wp-content/uploads/2020/05/EHF-COVID-19-Health-Coverage-for-Texans-Issue-Brief-05.18.20-FINAL.pdf>

^{vi} Center on Budget and Public Priorities. (2020, July). States that Have Not Expanded Medicaid Are Better Positioned to Address COVID-19 and Recess. Retrieved September 2020 from <https://www.cbpp.org/research/health/states-that-have-expanded-medicare-are-better-positioned-to-address-covid-19-and-recess>

^{vii} Texas Department of State Health Services. DSHS Leadership Update. June 15, 2018. <https://www.dshs.texas.gov/mch/pdf/DSHS-Leadership-Update---Maternal-Mortality--Morbidity-Task-Force-Meeting---06-15-2018.pdf>

^{viii} Georgetown University Health Policy Institute. The Number of Uninsured Children is On the Rise. October 2019. <https://ccf.georgetown.edu/wp-content/uploads/2019/10/Uninsured-Kids-Report.pdf>

^{ix} Bhatt & Sague (2018). "Medicaid Expansion and Infant Mortality in the United States. American Journal for Public Health". 108(4): 565-567

^x Texas Health and Human Services Commission. Texas Secures Approximately \$350 Million in Federal Funding for Women's Health Services. (Jan. 2020)

^{xi} Texas Health and Human Services Commission. Texas Women's Health Programs Report Fiscal Year 2019. (May 2020).

^{xii} Texas Department of State Health Services. "Texas Women's Health Programs Report Fiscal Year 2019." *Texas Health and Human Services*, May 2020, dshs.texas.gov/reports/2020/05/texas-womens-health-programs-report-fiscal-year-2019.

^{xiii} French, Leslie, and Evelyn Delgado. "Presentation to the House Committee on Public Health ..." *Texas Health and Human Services*, 19 May 2016, dshs.texas.gov/ConsumerandExternalAffairs/legislative/2016Reports/HousePublicHealthBBO.pdf

^{xiv} Henry J. Kaiser Family Foundation, "Medicaid and CHIP Eligibility, Enrollment, and Cost Sharing Policies as of January 2020: Findings from a 50-State Survey." *KFF*, 31 Mar. 2020,

^{xv} Texas Department of State Health Services. "Maternal Mortality and Morbidity Task Force and Department of State Health Services Joint Biennial Report." (September 2018)